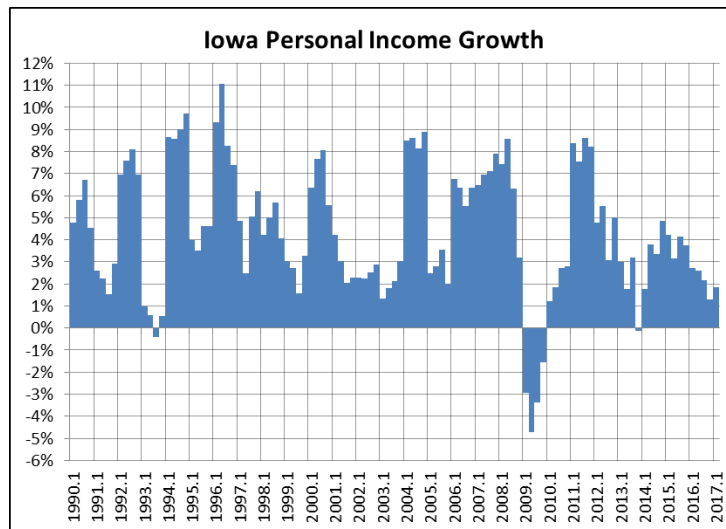


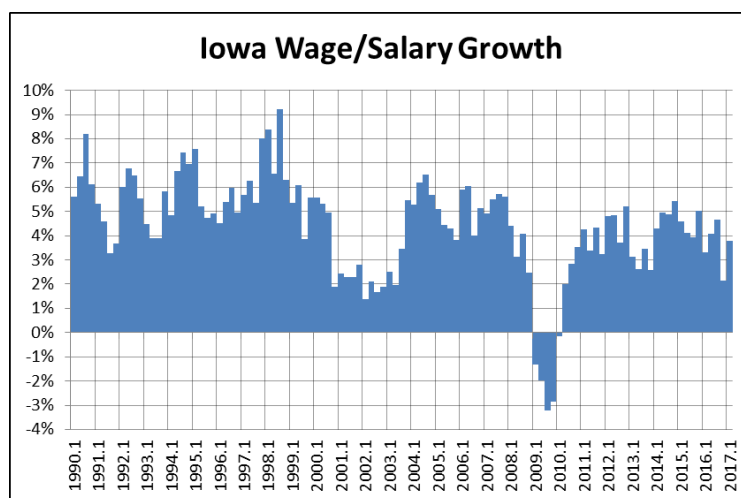
Statistic: Iowa Personal Income and Wage/Salary Income

Analysis: Personal income includes wage and salary income and also income earned through the operation of farms and other businesses, rent, interest, dividends, and government transfer income (Social Security and Unemployment Insurance, etc.).

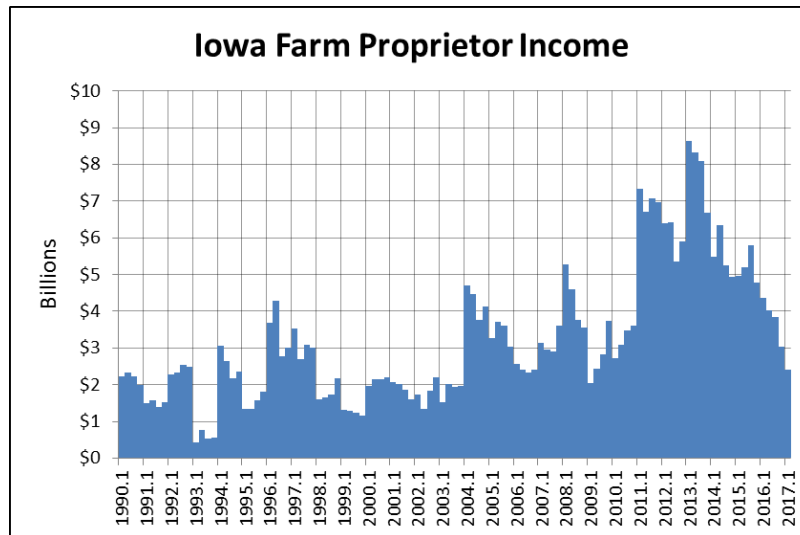
Iowa personal income increased 1.9% for the first quarter of calendar year (CY) 2017 when compared to the same quarter of 2016. Personal income growth for the fourth quarter of 2016 was revised to 1.3%, down from the originally released growth rate of 1.8%. Personal income growth is quite volatile over time as is evident in the graph below. In addition to quarterly volatility, reported personal income for Iowa suffers from significant revisions, usually related to changes in estimated farm income.



Wage and salary income is a component of overall personal income. Over time, Iowa wage and salary income equals about 50.0% of total personal income. Wage and salary income is not nearly as volatile as overall personal income. Since the end of the last U.S. recession, Iowa wage and salary income growth has averaged about 4.0% annually. For the first quarter of CY 2017, wage and salary income increased 3.8% compared to the same quarter of 2016. Wage and salary income growth for the fourth quarter of 2016 was revised to 2.1%, down from the originally released growth rate of 3.1%.



The recent low growth rates in overall personal income despite good growth in the wage and salary component is the result of declines in farm proprietor income. That income category has declined significantly since reaching all-time highs in CY 2013, reflecting a decline in grain prices. Since the first quarter of 2013, Iowa farm proprietor income has fallen from an annualized estimate of \$8.6 billion to an annualized estimate of \$2.4 billion for the most recent quarter. At its recent peak in the first quarter of 2013, farm income equaled 6.5% of Iowa personal income. For the most recent quarter, the percent was 1.6%.



Additional information can be found on the Legislative Services Agency's Economic Trends webpage at <https://www.legis.iowa.gov/publications/fiscal/economicTrends>. The page includes links to source sites and the underlying data for each Economic Trends indicator.

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